



PSC NEWS

Missouri Public Service Commission

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NATURAL GAS RATES TO DROP FOR AQUILA, INC. d/b/a AQUILA NETWORKS-L&P CUSTOMERS

JEFFERSON CITY--To reflect estimated changes in the cost of natural gas for the remaining portion of the winter heating season, natural gas customers of Aquila, Inc. d/b/a Aquila Networks-L&P customers will experience a decrease in rates under a scheduled filing reviewed and accepted by the Missouri Public Service Commission. This rate change will take effect on March 2, 2005.

A residential customer currently pays approximately 79 cents per Ccf (100 cubic feet of gas). Under this filing, the rate will drop to approximately 73.8 cents, a decrease of approximately 5.2 cents per Ccf. Under this filing, natural gas rates for a typical residential customer will drop by approximately \$8 (5%) in March.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost the local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

Aquila, Inc. d/b/a Aquila Networks-L&P serves approximately 6,125 natural gas customers in the Missouri counties of Andrew, Atchison, Nodaway and Holt.